



## **ABSTRACT**

PUBLIC SERVICE – Audit objections raised on the “Payment to Food suppliers without receipt of stock” in Karimnagar District – Lapses against Sri S.Mohan Reddy, the then PD, Karimnagar and presently Retired as DWO, Nizamabad in the ICDS Project of Gangadhara, Jagityal & Mahadevpur – Articles of charges – Issued.

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DEPARTMENT FOR WOMEN, CHILDREN, DISABLED AND SENIOR  
CITIZENS (ESTT)

G.O.Rt.No.5,

Dated:06-03-2020.

Read the following:-

1. G.O.Rt.No.143, Department for WCD & SC, dt:09.08.2017.
2. G.O.Rt.No.44, Department for WCD & SC, dt:04.06.2019.
3. From the Director, WD & CW Department, Hyderabad, Letter No.1380/Vig/2017, dated: 11.10.2019.

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## **ORDER:-**

In the G.O. 1<sup>st</sup> read above, the Article of charges have been issued against Sri S.Mohan Reddy, the then PD, Karimnagar and presently Retired as DWO, Nizamabad on the Audit objections raised on the “Payment to Food suppliers without receipt of stock” in Karimnagar District in respect of the ICDS Projects, Peddapally, Sultanaabad, Bheemadevarapally, Metpally and Karimangar (Rural).

2. In the reference 3<sup>rd</sup> read above, the Director, WD & CW Dept., Hyderabad has reported that as per the Supplementary Audit conducting in the remaining ICDS Projects of Karimnagar, certain lapses also noticed against Sri S.Mohan Reddy, the then PD, Karimnagar and presently retired as DWO, Nizamabad in the ICDS of Project of Gangadhara, Jagityal & Mahadevpur, and requested the Government to serve the article of the charges for the said lapses.

3. Accordingly, in continuation to the article of charges issued in reference 1<sup>st</sup> read above, it is proposed to hold an enquiry against Sri S.Mohan Reddy, the then PD, Karimnagar and presently retired as DWO, Nizamabad in accordance with the procedure laid down in Rule 20 of the Telangana State Civil Services (Classification, Control and Appeal) Rules 1991 for his lapses in ICDS Projects of Gangadhara, Jagityal and Mahadevapur of Karimnagar District also.

4. The substance of the imputations of misconduct or misbehavior in respect of which the inquiry is proposed to be held is set out in the enclosed statement of articles of charges (Annexure-I). A list of documents by which, and a list of witnesses by whom, the articles of charges are proposed to be sustained are also enclosed (Annexure II III).

**P.T.O.**

5. Sri S.Mohan Reddy, the then PD, Karimnagar and presently retired as DWO, Nizamabad is directed to submit within 10 days of the receipt of this order, a written statement of his defense. He is further informed that an inquiry will be held only in respect of those articles of charges which are not admitted. He should, therefore, specifically admit or deny each article of charge.

6. Sri S.Mohan Reddy, the then PD, Karimnagar and presently retired as DWO, Nizamabad is further informed that if he does not submit his written statement of defense on or before the date specified in para-3 above further action will be processed based on the material available.

7. Attention of Sri S.Mohan Reddy, the then PD, Karimnagar and presently retired as DWO, Nizamabad is invited to Rule 24 of the Andhra Pradesh Civil Services (Conduct) Rules, 1964, under which no Government Servant shall bring or attempt to bring any political or outside influence to bear upon any superior authority to further his interests in respect of matters pertaining to his service under the Government. If any representation is received on his behalf from another person in respect of any matter dealt with in these proceedings it will be presumed that Sri S.Mohan Reddy, the then PD, Karimnagar and presently retired as DWO, Nizamabad is aware of such a representation and that it has been made at his instance and action will be taken against him for violation of Rule 24 of the Telangana State Civil Services (Conduct) Rules, 1964.

(BY ORDER AND IN THE NAME OF THE GOVERNOR OF TELANGANA)

D. DIVYA,  
SPECIAL SECRETARY TO GOVERNMENT.

To

Sri S.Mohan Reddy, the then PD, Karimnagar and presently retired as DWO, Nizamabad **through** the Director, WD & CW, Hyderabad. The Director, WD & CW, Hyderabad with a request to serve the same to the said retired charged officer and furnish date acknowledgment to the Government.

SF/SC.

/ / FORWARDED : : BY ORDER / /

SECTION OFFICER

**ANNEXURE – I**

Statement of articles of charges framed against Sri S. Mohan Reddy, while working as PD, Karimnagar and presently retired as DWO, Nizamabad.

**Charge No. I:** That, Sri S. Mohan Reddy, while working as PD, Karimnagar and presently Retired as DWO, Nizamabad has failed to monitor and ensure that the food stock commodities has been supplied or not by HACA to the ICDS Project of Gangadhara and made payment for an amount of Rs. 24,50,032/- against the invoices issued by M/s. HACA Limited.

Sl. No.	Invoice No. Date	Name of the Firm who supplied food stocks	Amount paid (Rs.)	Remarks
1	6557 dt. 12.02.2013	HACA Ltd.,	8,85,600	TBR No.238, Token No. 45531, dt. 01.03.2013 (Combined bill of 4 invoices) for Rs.40,35,614/- DD No.390927, dt. 01.03.2013 for Rs. 40,35,614/- (DD of 4 invoices).
2	6560, dt. 13.02.2013	HACA Ltd.,	10,33,616	TBR No.238, Token No. 45531, dt. 01.03.2013 (Combined bill of 4 invoices) for Rs.40,35,614/- DD No.390927, dt. 01.03.2013 .
3	6562, dt. 25.02.2013	HACA Ltd.,	5,30,816	TBR No.252, Token No. 48957, dt. 14.03.2013 for Rs. 5,30,816 Initially drawn vide DD No.266564, dt. 15.03.2013 and subsequently replaced with DD No.460514 dt. 04.09.2013 for Rs. 5,30,816 DD No. 460514, dt. 04.09.2013.
<b>TOTAL:-</b>			<b>24,50,032</b>	

As per Article 128, Financial Code raising a claim without receiving the food stocks is highly irregular, and the payment should be made only after ensuring that the stores have been received and examined. Thus it is evident that though the food stock were not received in the ICDS Project, the amount was paid through DD's to the agencies to M/s. HACA Limited by the Project Director, DW & CDA, in erstwhile Karimnagar District in connivance with the concerned CDPO, ICDS Project, and Agency and caused loss to the Government exchequer to the tune of Rs. 24,50,032/-. Hence, the charge.

**Basis:-**

1. GSSA /SS-III/TS/U-I/2016-17/18, DT. 30.05.2016 of AGAP, T.S., Hyderabad.

**P.T.O.**

2. CAG of India Audit Report for the year ended March 2016.
3. U.O.Note.No.2184/B3/Audit/2016, dt.21.04.2017 Inspection Report of Accounts Officer.
4. Supplementary Audit Report on payments to food suppliers without receipt of food stocks in Karimnagar District, dt. 27.09.2019.
5. Invoices and TBR mentioned in the charge.

**Charge No. II:** That, Sri S. Mohan Reddy, while working as PD, Karimnagar and presently Retired as DWO, Nizamabad has failed to monitor and ensure that the food stock commodities has been supplied or not by M/s. Kendriya Bhandar, Hyderabad and M/s. Sri Balaji Groundnut Oil Mill, Vizianagaram District to the ICDS Project of Jagityal and made payment for an amount of Rs. 70,31,609/- against the invoices issued by agencies as follows:-

Sl. No.	Invoice No. Date	Name of the Firm who supplied food stocks	Amount paid (Rs.)	Remarks
1	870, dt. 05.03.2013	M/s. Kendriya Bhandar, Hyderabad.	18,02,609	TBR No.263, Token No. 49344, dt. 14.03.2013 for Rs. 18,02,609 DD / BC No.266566, dt. 15.03.2013 for Rs. 18,02,608 (cancelled & issued DD/BC No.460512 dt. 04.03.2013 for Rs. 18,02,609/-) when the proforma was issued on 05.03.2013.
2	343, dt. 27.10.2013	M/s. Sri Balaji Groundnut Oil Mill, Cheerapurupalli, Vizianagaram District	26,14,500	TBR No.86 Token No. 33424, dt. 19.12.2013 for Rs. 91,6,100 (inclusive Rs. 26,14,500/-) B.C.No. 754768 Dt. 19.12.2013 for Rs. 91,16,100 (Combined DD for (6) invoices)
3	129, dt. 27.01.2014	M/s. Sri Balaji Groundnut Oil Mill, Cheerapurupalli, Vizianagaram District	7,30,800	TBR No.154, token No.43868 dt. 24.02.2014 for Rs. 31,60,500(inclusive Rs. 26,14,500/- of 3 invoices) BC No.760955 dt. 26.02.2014 for Rs. 31,60,500 (Combined DD for 4 invoices)
4	130, dt. 27.01.2014	M/s. Sri Balaji Groundnut Oil Mill, Cheerapurupalli, Vizianagaram District	7,30,800	TBR No.154, token No.43868 dt. 24.02.2014 for Rs. 31,60,500(inclusive Rs. 26,14,500/- of 3 invoices) BC No.760955 dt. 26.02.2014 for Rs. 31,60,500 (Combined DD for 4 invoices)
5	136, dt. 05.02.2014	M/s. Sri Balaji Groundnut Oil Mill, Cheerapurupalli, Vizianagaram District	11,52,900	TBR No.154, token No.43868 dt. 24.02.2014 for Rs. 31,60,500(inclusive Rs. 26,14,500/- of 3 invoices) BC No.760955 dt. 26.02.2014 for Rs. 31,60,500 (Combined DD for 4 invoices)
<b>TOTAL:-</b>			<b>70,31,609</b>	

As per Article 128, Financial Code raising a claim without receiving the food stocks is highly irregular, and the payment should be made only after ensuring that the stores have been received and examined. Thus it is evident that though the food stocks were not received in the ICDS Project, the amount was paid through DD's to the agencies to M/s. Kendriya Bhandar, Hyderabad and M/s. Sri Balaji Groundnut Oil Mill, Vizianagaram District, by the Project Director, DW&CDA, in erstwhile Karimnagar District in connivance with the concerned CDPO, ICDS Project, and Agency and caused loss to the Government exchequer to the tune of Rs.70,31,609/-. Hence, the charge.

**Basis:-**

1. GSSA /SS-III/TS/U-I/2016-17/18, DT. 30.05.2016 of AGAP, T.S., Hyderabad.
2. CAG of India Audit Report for the year ended March 2016.
3. U.O.Note.No.2184/B3/Audit/2016, dt. 21.04.2017 Inspection Report of Accounts Officer.
4. Supplementary Audit Report on payments to food suppliers without receipt of food stocks in Karimnagar District, dt. 27.09.2019.
5. Invoices and TBR mentioned in the charge.

**Charge No.III:** That, Sri S. Mohan Reddy, while working as PD, Karimnagar and presently Retired as DWO, Nizamabad has failed to monitor and ensure that the food stock commodities has been supplied or not by NCCF Ltd., to the ICDS Project of Mahadevpur and made payment for an amount of Rs. 76,13,017/- against the invoices issued by M/s. NCCF Limited.

Sl. No.	Invoice No. Date	Name of the Firm who supplied food stocks	Amount paid (Rs.)	Remarks
1	0956, 02.01.2013	NCCF Ltd.,	9,01,461	TBR No.192, dt. Token No.39921, dt. 17.01.2013 (Combined bill) for Rs. 31,77,084 DD / BC No.388059 dt. 17.01.2013 for Rs. 21,23,781 (Combined DD )
2	0982, 28.01.2013	NCCF Ltd.,	24,52,645	TBR No.219 Token no. 43536 Dt. 12.02.2013 for Rs. 24,52,645 DD No. 24,52,645 DD No.389579 dt. 12.02.2013 for Rs. 39,77,579 (Combined DD)
3	1071, 22.02.2013	NCCF Ltd.,	24,52,646	TBR No.248 Token No.4746 Dt. 05.03.2013 for Rs. 24,52,646 DD No. 391268, dt. 06.03.2013 for Rs. 34,94,202 (Combined DD)

**P.T.O.**

4	1090, 08.03.2013	NCCF Ltd.,	18,06,265	TBR No.295 Token No.50951 dt. 26.03.2013 for Rs. 18,06,265 DD No.268834, dt. 26.03.2013 for Rs. 18,06,265/-.
<b>TOTAL:-</b>			<b>76,13,017</b>	

As per Article 128, Financial Code raising a claim without receiving the food stocks is highly irregular, and the payment should be made only after ensuring that the stores have been received and examined. Thus it is evident that though the food stock were not received in the ICDS Project the amount was paid through DD's to the agencies to M/s. NCCF Limited by the Project Director, DW&CDA, in erstwhile Karimnagar District in connivance with the concerned CDPO, ICDS Project, and Agency and caused loss to the Government exchequer to the tune of Rs. 76,13,017/-. Hence, the charge.

**Basis:-**

1. GSSA /SS-III/TS/U-I/2016-17/18, DT. 30.05.2016 of AGAP, T.S., Hyderabad.
2. CAG of India Audit Report for the year ended March 2016.
3. U.O.Note.No.2184/B3/Audit/2016, dt. 21.04.2017 Inspection Report of Accounts Officer.
4. Supplementary Audit Report on payments to food suppliers without receipt of food stocks in Karimnagar District, dt. 27.09.2019.
5. Invoices and TBR mentioned in the charge.

**ANNEXURE – II**

List of documents by which the articles of charge framed against Sri S. Mohan Reddy, while working as PD, Karimnagar and presently retired as DWO, Nizamabad are proposed to be sustained.

1. GSSA /SS-III/TS/U-I/2016-17/18, DT. 30.05.2016 of AGAP, T.S., Hyderabad.
2. CAG of India Audit Report for the year ended March 2016.
3. U.O.Note.No.2184/B3/Audit/2016, dt. 21.04.2017 Inspection Report of Accounts Officer.
4. Supplementary Audit Report on payments to food suppliers without receipt of food stocks in Karimnagar District, dt. 27.09.2019.

**ANNEXURE – III**

List of witnesses by whom the articles of charge framed against Sri S. Mohan Reddy, while working as PD, Karimnagar and presently retired as DWO, Nizamabad are proposed to be sustained.

- Nil-

D. DIVYA,  
SPECIAL SECRETARY TO GOVERNMENT.